

EXHIBIT 3

UNITED STATES DEPARTMENT OF JUSTICE

Proposed Environmental Response Trust Consent
Decree and Settlement Agreement in the Motors
Liquidation Company, et al f/k/a General Motors
Corp., et al, Chapter 11 Bankruptcy,

PUBLIC MEETING in the above matter, conducted
at the New York State Fair Grounds, Martha Eddy
Room, Syracuse, New York before, JOHN F. DRURY,
Court Reporter, CSR, RPR, Notary Public in and
for the State of New York, on December 15, 2010
at 6:15 p.m.

B E F O R E:

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1 Casey

2 MR. CASEY: Hi, my name is Pat
3 Casey, I'm an attorney with the
4 Department of Justice. Natalie
5 suggested I stand up here. Nobody has
6 ever had a problem hearing me, my mother
7 used to say so, but just to be sure. I
8 wanted to welcome everybody, appreciate
9 you're coming out. I just came up an
10 hour ago from Washington, D.C. we've had
11 no snow so far this year, so it was
12 sunny, very nice, a little cold but. I
13 was born in this area, I was born in
14 Schenectady and I grew up in Buffalo.
15 So I know these conditions, I really
16 felt like I came home when I got here,
17 used to it, but it still can be tough.
18 And I appreciate everybody coming out
19 under these conditions.

20 I want to welcome you. We're going
21 to, at this meeting we have a court
22 reporter to take down all the comments
23 and we're here to listen to those
24 comments. There is a fact sheet, a
25 handout, if you didn't pick one up

1 Casey

2 they're over at the table here. And I'm
3 just going to briefly go through the
4 agenda.

5 First I want to introduce the people
6 that are here. Just to my immediate
7 right is Natalie Kuehler, she's an
8 assistant US attorney from the US
9 Attorney's office from the Southern
10 District of New York. Next to her is
11 Lauren Charney, she is an assistant
12 regional counsel with EPA Region 2 in
13 New York. Region 2 is this area right
14 here. And next to her is Bob Nunes, he
15 is one of the remedial project managers
16 for the Onondaga Superfund site. And
17 within that site there are numerous sub
18 sites, so there is a number of RPM's,
19 but Bob is remedial project manager for
20 a number of the sites.

21 I'm going to just briefly go through
22 the agenda. We just went through the
23 introductions. Natalie Kuehler is going
24 to give you a brief overview of the
25 applicable Bankruptcy Law. We are also

Casey

going to give you an overview of the proposed Settlement Agreement which is why we're all here. We also are going to go through a few Q and A's about how the proposed Settlement Agreement works. And after that we will then take public comments.

Many of you that wish to speak or make any comments we're happy to do that. We will not be able to respond to any of your comments. We are not the decision-makers. And we will not, I know the press is here, we will not be able to take questions or respond to the press here. But we are here to accept those comments, those comments will be considered by the decision-makers and in a decision by the United States to go forward with recommending the Settlement Agreement to the Court, which it also has to approve it. And also our consideration is what would this look like if the Settlement did not go forth.

We would in this comment period, the

Kuehler

written comment period is closed, the county, Onondaga County has asked for this public meeting under the provisions of the Solid Waste Disposal Act. So we will take additional comments outside of the written comment period. So please, if you do have any comments we will take them all down and we will include that in the record that we submit to the Court.

If you do have comments we do ask and we'll need you to sign up on the sign up sheet and we'll take you in the order that you the signed in if that's okay. If anybody has to leave and you need to go out of order please just let me know, I'm sure we can all accommodate that.

MS. KUEHLER: Good evening everybody, Natalie Kuehler from the US Attorney's office in New York. As Pat mentioned I'll give you a brief overview of the applicable Bankruptcy Law which is complex sometimes particularly as it

1 Kuehler
2 applies to environmental matters. And
3 also the Settlement Agreement, which is
4 quite a lengthy document. So if there
5 are any terms, particularly in the
6 Settlement Agreement that you do not
7 understand, you know, that's what we can
8 address here and we'll be able to talk
9 to you about those. There are certain
10 things about the Settlement Agreement we
11 won't be able to go into because
12 Settlement discussions are confidential.
13 But to the extent that we can we will.

14 So I guess we'd start under the
15 applicable Bankruptcy Laws, that anybody
16 who has a claim against a debtor has to
17 file what's called a Proof of Claim with
18 the Bankruptcy Court, in this case the
19 Southern District of New York. And the
20 United States did file a Proof of Claim
21 under Section 507 of the Bankruptcy Code
22 there is a priority that's established
23 for claims that are filed with the
24 Court. That essentially just means that
25 it's in order of how claims that are

1 Kuehler
2 received are paid out. And there are
3 certain claims that are more senior,
4 meaning they're paid out first than
5 other claims which are more junior and
6 have to wait until the end of the
7 process.

8 The most senior claims are, as a
9 general matter those that are submitted
10 by secured creditors. And what that
11 means is those are people who have a
12 lien that secures whatever interest they
13 have in the debtor's estate and they can
14 go and enforce that lien. And a good
15 example of that is, for example, a
16 mortgagor, who could foreclose on a
17 property.

18 Secured claims must be paid in full
19 in Bankruptcy Law. So they're a good
20 claim to have. There are also so called
21 unsecured claims. Those have a lower
22 priority and essentially an unsecured
23 claim is a right to payment from the
24 assets that remain in the estate when it
25 comes time to pay the unsecured claims.

1 Kuehler

2 And generally speaking that means you
3 get a pro rata portion of the assets
4 that remain in the estate. And they
5 will likely not add up to the full value
6 of your claim.

7 For clean up costs, environmental
8 clean up costs, which are a particular
9 concern of course of this Settlement
10 Agreement, those are generally considered
11 general unsecured claims. Meaning they
12 fall kind of within the lowest rung of
13 the bankruptcy priority that's
14 established under Section 507 of the
15 Bankruptcy Code. So you know what that
16 means is that future clean up costs at
17 properties that aren't owned by the
18 debtor, and this is an important
19 distinction, properties that are owned
20 versus that aren't owned. Future clean
21 up costs by properties that aren't owned
22 by a debtor are generally considered a
23 general unsecured claim.

24 However, for properties that the
25 debtors do own they're required to clean

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Kuehler

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those properties up regardless. And in

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the context of a bankruptcy this is also

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what's called an administrative expense.

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In other words, the debtors estate is

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required to make sure that its own

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property is maintained in compliance

8

with the laws. And those costs are

9

considered administrative estate

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expenses and they have to be paid.

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The US in general in environmental

12

bankruptcies such as the Old GM

13

bankruptcy contends that future clean up

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costs that arise under a judicial order,

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even at properties that are not owned by

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the debtor, are just not affected by the

17

bankruptcy. That those orders that

18

require a company to clean up continue

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to exist whether the company is bankrupt

20

or not. And the company has to comply

21

with those orders.

22

The debtors of course in general

23

argue that such orders are, the orders

24

have no impact. And if it's property

25

that's not owned by the debtor then

1 Kuehler
2 regardless of whether there is an order
3 or not the costs that are required to
4 clean those properties up are general
5 unsecured claims and fall in that
6 category of priority.

7 I'd like to the talk a little bit
8 about the particular proceeding that we
9 have here. General Motors when it
10 entered into bankruptcy filed what's
11 called a Chapter 11 bankruptcy petition.
12 And there are two different types of
13 Chapter 11 proceedings. There is
14 Chapter 11 reorganization, which up
15 until recently has been more common
16 where at the end of the bankruptcy
17 process the debtor reemerges as a
18 company and continues operations having
19 been able to get rid of some of the debt
20 that it owed.

21 In this case we have a Chapter 11
22 liquidation, which is essentially a more
23 orderly wind down of a company's affairs.
24 And once the plan of liquidation, and
25 there has recently been a plan of

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Kuehler

2

liquidation that was filed in the

3

Bankruptcy Court, once that is approved

4

the estate is wound down and ceases, the

5

company goes out of business entirely.

6

And in the process of winding the

7

company down often times the assets are

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sold and whatever sales proceeds are had

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are used to pay out the creditors,

10

including the general unsecured

11

creditors.

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Typically lower priority claims,

13

meaning these general unsecured claims

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fare better under Chapter 11 reorganiza-

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tion than under a Chapter 11 liquidation.

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Primarily that's because under

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reorganization the company will reemerge

18

and will continue to exist. And those

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companies tend to have a little more

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liquidity, and also they have a bit more

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of an incentive to perhaps compromise

22

than on the companies that cease to

23

exist entirely.

24

In this particular bankruptcy as I

25

think you all know the petition was

1 Kuehler
2 filed back in June 2009. And also to
3 subsidiaries that may be of interest
4 here, ROM and Encore that are wholly
5 owned by Old GM filed for bankruptcy a
6 little later in 2009, in October of
7 2009. And the same that day Old GM
8 filed for bankruptcy it also filed a
9 motion to sell its viable assets,
10 substantially all of its assets to a
11 newly formed corporation. It was at the
12 time named NewCo, it is what you now
13 know as General Motors Co., it's the new
14 GM. And the Bankruptcy Court approved
15 of this sale of assets in July of 2009.
16 So Old GM at that time was renamed
17 Motors Liquidation Company or MLC, and
18 in a lot of the Court feelings you'll
19 see that's what Old GM is referred to.
20 The New GM corporation that is still
21 producing cars now is an entirely
22 separate new entity.

23 Although most of the assets of Old
24 GM were sold to the new company there
25 were certain assets that weren't. And

Kuehler

among them are 89 properties, many of which are polluted, which remain with the old company, with Old GM or MLC. And these are the properties that are at issue in the Settlement Agreement that have been filed with the Bankruptcy Court.

Also relevant for purposes of the Settlement Agreement and the claims is that back in June and July of 2009 when the bankruptcy proceeding was initiated and the sale of assets took place the United States Department of the Treasury and Export Development Canada, which is essentially Canada's export credit agency, they lent Old GM \$1.175 billion to facilitate the orderly wind-down of the company. So that money was intended to cover administrative estates expenses and to make sure that the bankruptcy is proceeding in an orderly fashion rather than for example, the Chapter 7 liquidation, which is much faster and often very disorganized.

1 Kuehler

2 This money, these \$1.175 billion are
3 being used to pay the day-to-day
4 expenses of keeping Old GM running. So
5 it's things like plant security costs,
6 these plants that are no longer operating,
7 still remain with the old company, but
8 the facilities still have to be secured,
9 things like property taxes, like
10 electricity bills, and also the salaries
11 of the professionals who are still
12 running the old company, or their
13 lawyers in the bankruptcy proceeding.

14 But the largest chunk of that money
15 of these \$1.175 billion is actually
16 what's going towards funding the
17 Settlement that has been filed in the
18 Bankruptcy Court on the environmental
19 matters. And it's intended to cover the
20 liabilities of Old GM at the 89
21 properties that are owned by the
22 company, by the old company.

23 And there are also in this case two
24 non-owned portions, two non-owned
25 properties that are included in the

Kuehler

Settlement Agreement for specific reasons. These are both lands that are immediately adjacent to property that's owned by the old company. They are both areas where Old GM is the only potentially responsible party, meaning the only person who actually dumped the waste there, could be liable for clean up. And they are both properties where there is an existing order requiring the company to clean up. And that is relevant, as I mentioned before under the Bankruptcy Law.

In the Settlement Agreement specifically that may be hard to find the numbers in the agreement itself, but essentially \$641.4 million are going to be placed into an Environmental Response Trust. As well as 120 million in assets, in non-cash assets that includes the property value of the 89 properties that are currently still owned by Old GM but will be transferred to the trust as well as non-real estate property that

1 Kuehler

2 goes with this, such as equipment,
3 particularly the remedial equipment.

4 For particular purposes of the
5 interest in this part of the country the
6 Settlement includes \$22.57 million in
7 funding for the remediation of the IFG
8 facility in Syracuse. And the IFG
9 facility itself is limited by the
10 property boundaries of the property
11 actually owned by Old GM. The \$22.57
12 million are expected to fully cover the
13 clean up costs at the property itself.

14 In addition in this immediate area
15 here the Settlement includes \$8.55
16 million in funding for the remediation
17 of what we call Upper Ley Creek. And
18 that is the area that is immediately
19 adjacent where Old GM is the old PRP and
20 where there is actually an order
21 requiring it to conduct clean up. And
22 then also there is money set aside for
23 what we call the PCB, the Ley Creek PCB
24 dredging site.

25 And I should mention that the order

1 Kuehler
2 at the Upper Ley Creek portion that
3 requires Old GM to conduct, to clean up,
4 is an order that was issued by New York
5 DEC, not by EPA. It's the New York
6 Department of Environmental Conservation
7 is the lead agency at pretty much all
8 portions of the Onondaga Lake Superfund
9 site except for Lower Ley Creek, at
10 which portion EPA is the lead agency.

11 So other than these \$1.175 billion
12 that were put into the estate and lent
13 by the Department of Treasury and Canada
14 the only real currently available asset
15 to the estate is a 10 percent share in
16 the new company, in New GM, currently
17 operating GM. And that is a, that
18 ownership is in the securities of the
19 company itself, stocks and warrants.
20 And those stocks and warrants are what
21 general unsecured creditors are going to
22 receive their payout from on a pro rata
23 basis.

24 Over the last couple of weeks since
25 the company went public on the stock

1 Kuehler
2 market the stock price has been at
3 roughly \$30 a share. And just to give
4 you an idea, Old GM estimates in its
5 disclosure statement and proposed plan
6 that they filed with the Court that
7 ultimately at the end of the day when
8 they'll have looked at all the Proofs of
9 Claims that were submitted and all the
10 claims in the bankruptcy there will be
11 about \$40 billion worth of general
12 unsecured claims that will have to be
13 paid out by the estate.

14 So with that as the backdrop I would
15 like to move into how this particular
16 Settlement Agreement has come about.
17 And as I mentioned the United States
18 filed a Proof of Claim, we filed several
19 Proofs of Claim but in particular on
20 behalf of the environmental agencies,
21 the Environmental Protection Agency, the
22 Department of the Interior and NOAH. We
23 filed a Proof of Claim that covered the
24 debtors environmental obligations
25 nationwide, including, you know, over

1 Kuehler
2 130 sites and facilities in almost every
3 state. And this Proof of Claim that was
4 filed included a claim for the clean up
5 costs that are going to be incurred at
6 the Inland Fisher Guide property in
7 Syracuse which are addressed under the
8 Settlement Agreement as well as at the
9 Onondaga Lake Superfund site as a whole.

10 Again, the difference is, the
11 distinction is important because the one
12 property is actually owned by the debtor
13 whereas the rest of the Superfund site
14 is not.

15 Our Proofs of Claims generally list
16 100 percent of the anticipated clean up
17 costs. What happens in bankruptcies
18 though under the applicable law is that
19 you look to what the actual
20 responsibility or equitable share for a
21 company is in determining where there
22 are multiple responsible parties for
23 dumping the waste, what share the debtor
24 is required to carry.

25 Since filing the Proof of Claim the

Kuehler

United States has engaged in extensive settlement discussions with the debtors with 14 states including New York and with the St. Regis Mohawk tribe to arrive at a Settlement Agreement to resolve Old GM's environmental liabilities that are considered to have the administrative expense priority status, and in particular here that meant the properties that are actually owned by the debtors, the 89 properties that are at issue in the Settlement Agreement. And 8 properties that are not owned but that are immediately adjacent to owned properties where Old GM is the only responsible party and where there are actual clean up orders requiring the company to clean up.

The Settlement Agreement itself has several components but most importantly it envisions the creation of what we call an Environmental Response Trust. And that is the entity that will hold the 89 properties that are currently

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Kuehler

2

owned by the old company as well as all

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the clean up funding and other adminis-

4

trative funding that will be placed in

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the trust. And that will administer the

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properties and administer the clean up

7

and pay for it.

8

As I mentioned before the cash

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payments into the trust total \$641.4

10

million. Of that there are nearly 500

11

million, 499 million that are allocated

12

specifically to environmental clean up

13

at these 89 properties. And that

14

includes agency oversight costs and long

15

term operation maintenance and

16

monitoring costs.

17

The Settlement Agreement is

18

structured in a way where offsets

19

dedicated clean up money, \$431 million

20

will be placed into specific site

21

accounts. So each site that is known to

22

have been contaminated and there are

23

roughly 50 of them amongst the 89

24

properties, has its own dedicated site

25

specific accounts that will have money

1 Kuehler

2 in it to conduct the clean up there.

3 And in addition to these dedicated
4 accounts there is going to be what we've
5 termed a Cushion Account of \$68 million
6 that will be available to fund short-
7 falls in clean up funding at any of the
8 sites if for -- and the reasons are laid
9 out in the Settlement Agreement, but if
10 for example, there is contamination that
11 is not known now that is later
12 discovered and requires additional
13 funding to clean up there is this
14 reserve that will be available to any of
15 these properties assuming they meet the
16 conditions necessary to draw down on
17 that money.

18 In addition to these funds for clean
19 up specifically there is also \$142
20 million in administrative funding that's
21 going to be paid into the trust. And
22 this administrative funding is intended
23 to cover a whole host of issues,
24 including again, just security at these
25 properties, the fees for professionals

1 Kuehler

2 that are required to run the trust, for
3 remedial managers for the properties
4 and utilities, property taxes, things
5 like that.

6 The trust has two main focuses. The
7 first is to conduct the environmental
8 remediation; and the second is to bring
9 the properties back into beneficial or
10 productivity. So those are going to be
11 the two focal points.

12 In addition to the cash that's being
13 placed in the trust, as I mentioned
14 before the 89 properties will also be
15 placed in the trust, so the trust will
16 actually get all of the property rights
17 that Old GM has and hold those property
18 rights going forward. And it can then
19 sell or otherwise dispose of those
20 properties going forward in a manner
21 that is most consistent with the goals
22 of the trust, which is both the clean up
23 and trying to bring these properties
24 back into productive or beneficial use.

25 There is also another aspect of the

1

Kuehler

2

Settlement Agreement that I'd like to

3

point out, which is that there are

4

covenants not to sue that the

5

governments are granting to the debtor

6

with respect to the environmental

7

liability, the properties at issue in

8

the Settlement Agreement. You know here

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of course Old GM is liquidating. So the

10

company eventually will no longer be

11

there in any event. But I did want to

12

point that out.

13

Specifically with respect to the

14

Onondaga Lake Superfund site there are 5

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areas of that overall site where GM has

16

been identified as a potentially

17

responsible party. And those 5 areas

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are included in the Proof of Claim that

19

the federal government filed. And I'll

20

just name them quickly, I think you'll

21

all be familiar with them. It's the IFG

22

facility itself, the Lake Bottom, the

23

Salina Landfill, the Lake PCB dredging

24

site and then Lower Ley Creek. And as

25

mentioned before EPA is the lead agency

1 Kuehler

2 only for Lower Ley Creek and all the
3 other lead agencies is the State of New
4 York.

5 Since GM, Old GM owns the IFG
6 facility, that facility, that property
7 is going to be placed into the trust
8 along with the \$22.57 million in
9 dedicated funding to clean that property
10 up.

11 And the PCB dredging subsite
12 similarly is owned by Old GM and will be
13 placed into the trust along with \$1.88
14 million in dedicated clean up funding to
15 cover the remediations anticipated at
16 that site.

17 And in addition to those two
18 subsites, Upper Ley Creek is also
19 included in the Settlement Agreement and
20 will be receiving \$8.55 million in
21 dedicated funding. And that is although
22 the property itself cannot be placed
23 into the trust and is not owned by Old
24 GM because it is immediately adjacent to
25 the owned property there is an order

1 Kuehler

2 requiring Old GM actually to stop clean
3 up and there are no other PRPs.

4 There are no other areas of the
5 Superfund site that meet those
6 requirements where there actually is an
7 order in place requiring Old GM to clean
8 up; or Old GM is the only PRP.

9 The liabilities that Old GM has, the
10 environmental liabilities at the other
11 portions of the Onondaga Lake Superfund
12 site, those will have general unsecured
13 claim status. With respect to general
14 unsecured claims it's important to point
15 out this Settlement Agreement does not
16 actually address any of the general
17 unsecured claims. It only resolves the
18 administrative expense claims that the
19 government has against the company.

20 What this means specifically here is
21 that for Lower Ley Creek GM's liabilities
22 are not being affected or addressed on
23 the Settlement Agreement, that will be
24 dealt with separately.

25 And there is a particular portion of

1 Kuehler
2 the Settlement Agreement that deals with
3 this very issue, and if you have the
4 Settlement Agreement or would like
5 copies there are still a couple there.
6 Paragraph 100 ii. And that, not going
7 to go through reading it for you, but in
8 essence it says that any general
9 unsecured claims that the government has
10 against Old GM with respect to the areas
11 of the Onondaga Lake Superfund site that
12 are not being specifically addressed in
13 the Settlement Agreement continue to
14 exist.

15 And I should also note that what we
16 term Lower Ley Creek for purposes of the
17 Settlement Agreement has been defined as
18 the area of Ley Creek, the entire area
19 of Ley Creek that is south of the Route
20 11 bridge.

21 So you know when it comes to dealing
22 with these general unsecured claims
23 again, you know, they will receive a
24 lower priority in payment. They will be
25 paid at kind of a reduced amount as a

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Kuehler

2

function of the Bankruptcy Law which is
3 that all general unsecured claimants get
4 a pro rata share in whatever is left
5 over of the estate. And here you know,
6 they will be paid out from the 10
7 percent stake in the securities of the
8 new company, New GM that's currently
9 operating.

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The general unsecured claims will be
handled separately from this
environmental response. There is a
general unsecured creditors trust, it's
the official term of it that the debtors
are proposing to create which would
administer all of these general unsecured
claims. And also ultimately they will
be paid out through this separate
general unsecured creditors trust. The
precise amount of the stake in New GM or
apportionment of New GM stock and
warrants that each general unsecured
creditor gets will not be known until
all the general unsecured claims have
been administered. Here we're dealing

1 Kuehler
2 with tens of billions of dollars in
3 unsecured claims. I think I mentioned
4 before, the debtor, that ultimately
5 there will be about \$40 million of
6 general unsecured claims, but it will
7 take time to administer those, and the
8 full return amount won't be known on the
9 general unsecured claims until that
10 process is completed.

11 So what are the next steps kind of
12 going forward from here? We expect that
13 the debtors within the next couple of
14 weeks will file a motion seeking to have
15 the Bankruptcy Court approve the
16 Settlement Agreement. And we will, we
17 meaning the United States, will make a
18 decision as to whether or not to support
19 the motion to the Bankruptcy Court,
20 essentially the submission by the
21 debtors to the Bankruptcy Court to have
22 the Court approve the Settlement
23 Agreement.

24 After reviewing all the public
25 comments that we have been receiving, as

Kuehler

Pat mentioned earlier, the official public comment period has expired but we have agreed to hold this meeting here, we received the request from Onondaga County. So that we have the opportunity to take additional public comments here orally and take those into account as well.

If after reviewing those public comments we decide the Settlement Agreement is not in the public's interest the United States has the opportunity to withdraw from the Settlement Agreement. If after receiving and reviewing those public comments the United States determines that it is in the best interests to move forward then the United States will submit papers in support of having the Settlement Agreement entered. So right now the Settlement Agreement is on the Court's docket. It does not become effective unless and until the Court actually approves of it and enters it.

1 Kuehler

2 All of the comments that are, that
3 we have received so far that we'll be
4 receiving today including the transcript
5 of these proceedings we will be
6 attaching with any submission that's
7 going to be made to the Court, along
8 with the government's full response to
9 those comments so that the Court also
10 has the full record in front of it in
11 making its decision as to whether or not
12 to approve the Settlement Agreement.

13 We currently expect that the Court
14 hearing at which the Settlement
15 Agreement would be considered if we do
16 move forward will take place on March 3,
17 2011. That is the date that the Court
18 has set for having the planned
19 confirmation hearing, which is the
20 hearing at which Old GM's proposed plan
21 of liquidation will be considered.

22 Given the Bankruptcy Court's
23 schedule and a share of the amount of
24 people and Claimants involved in this
25 proceeding that date may slip, but right

1 Kuehler

2 now it's set for March 3, 2011.

3 And I think that's all I've got with
4 respect to the background. If you have
5 any specific comments about the
6 Settlement Agreement itself, you know,
7 those we can certainly address under the
8 caveat that certain action or aspects of
9 the Settlement discussions are
10 confidential and we can't go into those.
11 But if you have questions about the
12 terms of it now would be a good time to
13 ask those and then we'll go into the
14 main portion which is the opportunity
15 too for all of you to make your public
16 comments. And there is a sign up sheet,
17 we've received a couple of people who
18 are signed up, we'll call everybody in
19 order. If you would like to make a
20 public comment and haven't had the
21 opportunity to sign up feel free the
22 come up and explain.

23 QUESTIONS BY DEREETH GLANCE:

24 Q. So you said that the US could either
25 support the Settlement or withdraw from it. Can

1 Glance Q&A

2 we amend it? Is it an option?

3 ANSWERS BY MS. KUEHLER:

4 A. The Settlement Agreement is amendable.
5 However to amend it we cannot unilaterally amend
6 it. What would have to have the debtors to 14
7 states and the tribe would also have to agree to
8 any amendment.

9 Q. Then the Cushion Fund that you
10 mentioned, how is that allocated?

11 A. The Cushion Fund is not allocated. The
12 Cushion Fund is available to all of the properties
13 that will be in the environmental response trust.
14 And under their provisions in the Settlement
15 Agreement that discuss when a property can have
16 access to a Cushion Fund. The best example is if
17 there is new contamination that's discovered that
18 wasn't known now and so we couldn't take into
19 account and in coming up with the clean up budget
20 in calculating that for the property if there is
21 indeed unexpected expenses not known now. Then
22 the property can get access to that Cushion Fund.

23 Q. Would that be on a first come first
24 served basis if they made, if they fit all the
25 requirements?

1 Glance Q&A

2 A. Essentially. I mean there is no
3 requirement to hold up the distribution of Cushion
4 Funding. If, you know, immediately all of a
5 sudden contamination is discovered that the
6 trustee, and I should mention this, there is a
7 proposed trustee Elliott Laws from the law firm of
8 Crowell & Moring in his representative capacity
9 would be acting as the trustee has quite a bit of
10 experience in remediation and also bringing
11 properties back to productive use, including he
12 was an assistant administrator at the EPA.

13 But the trustee will engage in analysis
14 under the Settlement Agreement to determine
15 whether or not to grant access to the Cushion
16 Funding. And if the regulatory agency differs
17 with the trustee on the ultimate decision there is
18 the ability to appeal to the Bankruptcy Court and
19 have the Court decide.

20 Q. And then I think my last question is
21 about who decides what the beneficial or
22 productive use of that site is and is there a rule
23 for public involvement?

24 A. Yes, there is a rule for public involve-
25 ment and the Settlement Agreement specifically

1 Kaniatakeron Q&A
2 directs the trustee to engage with the local
3 communities on this as well as seeking the federal
4 and state approvals.

5 (A male with hand up).

6 MS. KUEHLER: Are you a member of
7 the press?

8 UNIDENTIFIED MALE: Yes.

9 Ms. KUEHLER: We're not allowed to
10 directly speak to members of the press.
11 But I will say also I can give you the
12 contact of the respective press offices
13 to reach out to.

14 Q. (Glance) Can I have a follow up
15 question? Who ultimately owns the property?

16 A. (Kuehler) The properties? Those
17 properties are going to be owned by the trust. So
18 Old GM's full title in the property will be
19 transferred to the Environmental Response Trust,
20 which will own the properties.

21 QUESTIONS BY MR. KANIATAKERON:

22 Q. Are you aware of any comments that came
23 in from the St. Regis Indian Reservation thus far?

24 A. (Kuehler) No.

25 Q. You're not aware?

1 Kaniatakeron Q&A and Gunnip

2 A. To my knowledge there has been no
3 comment that's come in.

4 Q. But would you know?

5 A. I should know. Having said that you
6 know, if they have mailed it it may have gotten
7 caught up in the Department of Justice mailroom
8 and it should have filtered through to us by now
9 since the comment period expired a little bit ago.

10 MR. KANIATAKERON: Can you bring me
11 up to date. Two of the three that I'm
12 aware of there was maybe 40 concerns
13 that were put on a form and that should
14 have been brought to your attention,
15 that's why I ask.

16 MS. KUEHLER: I think there was
17 another question.

18 QUESTIONS BY COLLEEN GUNNIP:

19 Q. Would those properties be sold off?

20 A. (Kuehler) Eventually. You know,
21 ideally they would be sold off.

22 Q. And the trust would get the assets?

23 A. And the trust would get the assets from
24 the sale. Having said that there are, if you look
25 at the Settlement Agreement a couple of different

1 Kakwerais Q&A

2 ways that a sale can come about. One of the most
3 important aspects is to ensure that the
4 environmental remediation happens.

5 Q. What would happen then with the assets
6 that remain in the trust after all those
7 properties were cleaned up and sold off?

8 A. That ultimately is something that the
9 trust will have to decide.

10 QUESTIONS BY MS. KAKWER AIS:

11 Q. In your papers here that you have you
12 have Exhibit B, form of Quitclaim Deed. Can you
13 tell me what that means?

14 A. (Kuehler) Yes, that is the deed, that
15 is the sample form of the deed by which the
16 debtors will be transferring title of the 89
17 properties to the Environmental Response Trust.

18 MS. KUEHLER: Are there any other
19 questions about the way the Settlement
20 Agreement works? Okay, so I think --

21 Q. You didn't, well so you're saying that
22 this quitclaim deed is Old GM will transfer these
23 things to the trust?

24 A. Correct.

25 Q. In there it says C, any land lying in or

1 Kakwerais Q&A

2 under the bed of any creek, stream or waterway or
3 any highway, avenue, street, road, alley, easement
4 or right-of-way open or proposed in or on, across,
5 abutting or adjacent to such tract of land. So
6 how does that work with land that the United
7 States or New York don't own?

8 A. That land is not going to be affected by
9 any transfer. The debtors will be transferring
10 their full interest in the properties. If they
11 are properties they do not have an interest in
12 those properties will not be transferred.

13 Q. Okay, abutting and adjacent. It says in
14 here it says abutting or adjacent?

15 A. There may be, for example, easements or
16 other property rights that are not real property
17 that the debtors hold. And those two would be
18 transferred to the trust. I'm not sure what -- I
19 have a feeling that this doesn't answer your
20 question or that you're thinking of something
21 else, but.

22 Q. So the ones that have to, who has to
23 sign this quitclaim deed?

24 A. The Old GM, the property owner.

25 Q. Then they give those to your Bankruptcy

1 Kakwerais Q&A

2 Court?

3 A. They give this to the Environmental
4 Response Trust, meaning the trustee, which will be
5 Elliott Laws is the proposed trustee.

6 Q. So before this goes through into the
7 Bankruptcy Court on which you said March 3rd,
8 before that this document has to be signed by the
9 Old GM?

10 A. At the same time, so this actually
11 raises another issue that I should point out.
12 Although the Court, if the federal government
13 decided to move forward with the Settlement
14 Agreement, although the Court will be approving
15 the agreement currently on the schedule of March
16 3, 2007 it doesn't actually become effective until
17 certain conditions are met.

18 One of those conditions is the transfer
19 of all the properties into the Environmental
20 Response Trust. The effective date of the trust
21 is also the effective date of the plan of
22 liquidation, and there are usually several wind up
23 issues that have to be taken care of in the
24 bankruptcy so that the trust would actually become
25 effective, at some point after that the Court

1 Kakwerais Q&A

2 hearing and after the properties are transferred.

3 There is a requirement that the
4 properties and the cash funding as well as the
5 other non-cash assets that are going into the
6 trust be transferred on the effective date to make
7 sure that the trust is fully performed at that time.

8 Q. So in your speech that you were giving
9 educating the people here, you said that the
10 proposed time for people to be able to make public
11 comment was over. But because the Onondaga County,
12 I'm not sure which group requested for you to come
13 and hear comments, you extended it?

14 A. Yes, I should correct you just on that.
15 We opened it for the particular purpose of taking
16 oral comments here. So the public comment period
17 is not actually extended, that remains closed,
18 however with the exception of all of the public
19 comments that we will be receiving here today.

20 MS. KAKWERAIS: So as an example if
21 somebody else made another request which
22 is adversely and severely impacted to be
23 able to make a public comment, which in
24 your statement which you were asked if
25 any comments were received from a place

1

Kacweraais

2

called Akwesasne, you said you weren't

3

aware of that and it might be in the

4

mail of the Justice Department over

5

there. And the effect of what the Old

6

GM, General Motors has done is genocide.

7

I feel and believe that the public

8

hearing should be up north where the

9

people, they didn't get no \$783 million

10

Settlement. And they have that poison

11

in their body. For 31 years we've been

12

going to meetings like this and one

13

group of EPA people come and another

14

group. But yet the people who are most

15

affected, and we have a responsibility

16

as women and as mothers to look way

17

ahead and protect the people, the

18

unborn. That's our responsibility.

19

And that's how General Motors --

20

that's what they should have did. They

21

should have looked at what they did to

22

protect the future, but they didn't.

23

And one of the most adversely affected

24

people in this country is the Akwesasne

25

people. What they did up there has

1 Kacweraais
2 impacted us where we cannot go nowhere
3 else and get our people. We can't go to
4 England or Scotland or France and remake
5 our people. We can't. And the genetics
6 and the DNA of the poison that the old
7 General Motors did has impaired and
8 affected our people.

9 And I'm saying that those comments
10 that those 40 people made, and there is
11 many more, that the Department of
12 Justice if they really believe in
13 justice should hold a public hearing at
14 Akwesasne, so you can hear from the
15 people that were affected by General
16 Motors. I think it's very wrong that we
17 have to travel all this way so our
18 comments and our questions can be
19 answered.

20 Because when you're -- you've just
21 given a piece of paper like this nice
22 blue colored, four pages, and the life
23 of your grandchildren and your children
24 and the ones yet to come have been
25 impacted and your people can't have

1 Kacweraais
2 children. And they're running all over
3 the world to invitro fertilization,
4 clinics and all over are trying to
5 figure out why they cannot have
6 children. And our mothers are told that
7 they cannot breastfeed their kids. Why?
8 Because they're going to transfer the
9 poison that General Motors put on our
10 land; and never, ever told us. So I
11 believe that that is what has to happen.

12 Because it's very unfair for the
13 United States to be irresponsible and
14 not hear from people who have been
15 adversely affected. And what they've
16 done is a form of genocide. It's a form
17 of genocide. So the people should have
18 a right to be heard. And maybe when you
19 see all the people that come in that had
20 flora acne for 31 years or all the
21 problems that exist, maybe they'll look
22 at differently \$783 million to cover up
23 a site that's not -- it's still going to
24 emit. It's not a clean up, what is
25 proposed for the General Motors at

1

Kacweraais

2

Massena, it's not a clean up, it's a

3

cover up. It's a cover up and General

4

Motors is a hundred percent responsible.

5

And maybe what the United States

6

government should do is they should give

7

the people that the General Motors did

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this genocide to, they should give them

9

a \$45 billion credit. It's wrong what

10

they did, it's wrong. You can't take

11

poison and throw it and just put it

12

there and even by your law have no

13

license to even do it, how you have it

14

where you put toxins in the ground in a

15

site you have to have a license. That

16

didn't happen. All that happened was

17

General Motors in that area from the day

18

that they opened dumped their poison in

19

a landfill, in a dump just on top of the

20

earth.

21

So I believe that the United States

22

if they say they're responsible, they're

23

a responsible people and they're just,

24

what they will do is they'll hold a

25

hearing three and-a-half hours north of

1

Kacweraais

2

here where \$122 million of this \$483

3

million -- \$783 million Settlement is

4

supposed to be spent. So you can really

5

hear, because what's being proposed is

6

not a clean up. And General Motors

7

should be held responsible 100 percent

8

for what they've done. And not get away

9

with it and set the standards for the

10

future.

11

If they would have used to look

12

ahead they wouldn't be in this mess

13

they're in. And all the people that

14

they've done it, the Inuits are up

15

north, they don't have a General Motors

16

plant. They don't have a Ford plant.

17

Monsanto, and guess what, they're full

18

off PCBs. Why? Because these companies

19

have been irresponsible and they dumped

20

all that into the water, into the air

21

and land. They're way up north in the

22

north pole. And they're all impacted by

23

PCBs.

24

MS. KUEHLER: Thank you.

25

MS. KAKWERAIS: I'm just saying that

1 Casey

2 the United States should hold a hearing
3 there and hear the truth. Not something
4 like this that was given to the people,
5 because it's very wrong what happened.
6 And I'm a hundred percent against the
7 proposed \$783 million settlement.

8 MS. KUEHLER: Thank you. We've
9 moved into the comment portion, so I'll
10 hand the microphone I guess back to Pat
11 and I think we have a sign up sheet.

12 MR. CASEY: I have the sign up
13 sheet. Does anybody, I have nine people
14 including the people that, three of the
15 people that have already asked some
16 questions, but if they have some more to
17 say you're more than welcome. I just
18 want to know is there anybody that has a
19 scheduling, has a babysitter or needs to
20 leave early wants to go ahead of time
21 otherwise I'll take you in the order
22 that you signed up.

23 ROBERT GILKA: I actually do but I'm
24 representing an elected official here,
25 and in that regard since I am not he, I

1 Spvsr Nicotra

2 don't want to, I'm number 7 on your list
3 and I don't want to change the order.

4 MR. CASEY: All right.

5 JEFF DAVIS: I was actually going to
6 try to sign up, you already took the
7 list, so can I add my name?

8 MR. CASEY: The first speaker is
9 Mark Nicotra.

10 MARK NICOTRA: Good evening, my name
11 is Mark Nicotra. I'm the Town Supervisor
12 for the Town of Salina. I would like to
13 read a brief statement on behalf of the
14 Salina Town Board and our taxpayers. I
15 also have a prepared written statement
16 that I will submit after.

17 General Motors abandoned our Town in
18 the late '80s. It not only left behind
19 thousands of unemployed workers, a
20 devastating impact on our tax base, and
21 untold difficulties to surrounding
22 businesses, it left behind a huge
23 environmental liability that has already
24 cost our Town taxpayers thousands of
25 dollars, and potentially millions of

1 Spvsr Nicotra

2 dollars into the future.

3 No one disputes that General Motors
4 dumped substantial amounts of hazardous
5 substances and waste in our landfill and
6 water bodies. Although GM abandoned our
7 community long ago its actions continue
8 to negatively impact our Town economic-
9 ally as well as environmentally.

10 The Settlement Agreement we are
11 commenting on today could go a long way
12 toward addressing some of the negative
13 economic and environmental impacts that
14 GM has left behind. Unfortunately, I
15 believe the mistakes of the past will be
16 compounded by mistakes set forth in this
17 proposed Settlement Agreement.

18 And these mistakes are clear. The
19 agreement sets an arbitrary line at the
20 bridge at New York State Route 11 for
21 the purpose of limiting compensation
22 under the trust fund, notwithstanding
23 the voluminous data collected by the
24 United States Environmental Protection
25 Agency and the New York State Department